



# Department of Justice

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**REMARKS PREPARED FOR DELIVERY BY ASSISTANT ATTORNEY  
GENERAL THOMAS O. BARNETT AT A PRESS CONFERENCE REGARDING  
LG, SHARP AND CHUNGHWA'S AGREEMENTS TO PLEAD GUILTY IN LCD  
PRICE-FIXING CONSPIRACIES**

WASHINGTON, D.C.

Good Afternoon. Thank you for taking the time to be here today.

The detection and prosecution of criminal cartel offenses is the Antitrust Division's highest priority. Bringing to justice international cartels that victimize American consumers is our highest priority because these cartels create the greatest harm to consumers.

Today, we are taking action against several international cartels involving a \$70 billion dollar a year industry involving liquid crystal display panels, more commonly known as LCD panels. Three leading electronics manufacturers—LG Display Company Limited, Sharp Corporation and Chunghwa Picture Tubes Limited—have agreed to plead guilty and pay a total of \$585 million in criminal fines for their roles in several distinct conspiracies to fix the prices of LCD panels. As you may know, LCD panels are the glass display screens on most computer laptops and monitors, mobile phones, and many types of flat panel TVs.

These price-fixing conspiracies affected millions of American consumers who use computers, cell phones and numerous other household electronics every day. By conspiring to drive up the price of LCD panels, consumers were forced to pay more for these products. And, consumers weren't the only ones affected by these conspiracies. Some of the largest computer, television and cellular telephone manufacturers in the world, including Apple, Dell, and Motorola, were also affected.

The first two cases we have filed today involve LG Display Company Limited, a South Korean company, and its wholly owned U.S. subsidiary, LG Display America Incorporated and Chunghwa, a Taiwanese company. Each company has agreed to plead guilty for participating in an international conspiracy to fix prices in the LCD market. The third case involves Sharp Corporation, a Japanese company, which has agreed to plead guilty for participating in other conspiracies to fix the price of LCD panels to three specific customers—Apple, Dell and Motorola.

The crimes committed by LG Display, Sharp and Chunghwa and their co-conspirators are among the largest and most far-reaching price-fixing conspiracies the Antitrust Division has ever detected.

In the first two cases, which involved the same conspiracy, the defendants have agreed to pay a total of \$465 million in criminal fines. LG Display, which was known as LG Philips until recently, and its U.S. subsidiary LG Display America, have agreed to pay a single fine of \$400 million, the second largest criminal fine in the history of antitrust criminal prosecutions. Chunghwa Picture Tubes, known as CPT within the LCD industry, has agreed to pay a \$65 million criminal fine. CPT is the first Taiwanese company to ever plead guilty to criminal charges in the United States for participating in a price-fixing conspiracy.

In the third case, Sharp has agreed to pay a \$120 million criminal fine for participating in three separate price-fixing agreements for sales of LCDs to three major purchasers.

These convictions and the significant fines they carry, should send a clear message that the Antitrust Division will vigorously investigate and prosecute illegal cartels, regardless of where they are located.

First, I want to discuss the cases against LG Display, LG Display America, and CPT. LG Display, LG Display America, CPT and other unnamed LCD suppliers are charged with fixing the prices of LCDs sold in the United States and elsewhere. Here is how the conspiracy involving these companies worked. From 2001 until into 2006, LG Display, LG Display America, CPT and their co-conspirators participated in group meetings commonly referred to by the participants as “crystal meetings.” At these crystal meetings and during other discussions, representatives of the major LCD suppliers, including LG Display, and CPT, agreed to charge certain prices for standard-sized LCD panels used in computer monitors, laptops, and TVs to purchasers of LCDs throughout the world, including purchasers in the U.S.

The case filed against Sharp involves three separate price-fixing agreements. Sharp and other unnamed LCD manufacturers are charged with fixing the prices of LCDs sold to three major U.S. customers—Dell, Motorola and Apple. The first, charges Sharp and other unnamed co-conspirators with fixing the price of LCD panels sold to Dell from April 2001 to December 2006 for use in Dell computer monitors and laptops. The second, charges Sharp and other unnamed co-conspirators with fixing the price of LCD panels sold to Motorola from the fall of 2005 to the middle of 2006 for use in Razr mobile phones. The third, charges Sharp and other unnamed co-conspirators with fixing the price of LCD panels sold to Apple from September 2005 to December 2006 for use in iPod portable music players.

LG Display, Sharp and Chunghwa have agreed to cooperate in the Department's ongoing investigation. In fact, they have already begun to cooperate. The Board of Directors for LG Display, Sharp and Chunghwa deserve credit for making a timely decision to accept responsibility and cooperate. Today's fines would have been significantly higher were it not for their cooperation.

This case illustrates the international scope of our criminal investigations and exemplifies the need to prosecute and deter international cartels that harm American consumers and businesses. It also illustrates how important law enforcement coordination can be in cracking international cartels where the perpetrators and the evidence are often located outside of the U.S. borders. This investigation has involved the coordination of enforcement officials on three continents—North America, Europe and Asia.

I want to thank the attorneys responsible for prosecuting this case, including Scott Hammond, Phil Warren, Chief of the Division's San Francisco Office, Niall Lynch, the Assistant Chief and the lead attorney in this case, and the rest of his team for their hard work and dedication in this ongoing investigation. Niall and his team – Michael Scott, Heather Tewksbury, Dave Ward, and Alexandra Shepard – are here today. I'd also like to thank the FBI's San Francisco Office for their assistance in this investigation.

Now, Scott Hammond and I would be happy to take any questions you have.

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